

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

United States of America,

v.

Tyler N. Ross,

Defendant.

Case: 2:23-cr-20451

Judge: Grey, Jonathan J.C.

MJ: Altman, Kimberly G.

Filed: 08-02-2023

Violation:

18 U.S.C. § 371

INFORMATION

The United States Department of Justice, Criminal Division, Fraud Section,
and the United States Attorney's Office for the Eastern District of Michigan
charge:

COUNT ONE

18 U.S.C. § 371 - Conspiracy to Commit an Offense Against the United States

TYLER N. ROSS

1. From at least in or around 2015, through at least in or around 2019, in the Eastern District of Michigan, and elsewhere, defendant, TYLER N. ROSS, knowingly and intentionally conspired and agreed with other individuals to commit an offense against the United States, that is, a violation of Title 18, United States Code, Section 1014, by knowingly making a false statement to a mortgage lending business for the purpose of influencing the action of that business in connection with a loan.

General Allegations

At times relevant to this Information:

2. ROSS served as a manager and Co-Chief Executive Officer (“CEO”) at ROCO Real Estate LLC and ROCO Management LLC (collectively “ROCO”), which were limited liability corporations with their principal places of business in Bloomfield Hills, Michigan, and were incorporated in or around June 2011 and November 2015, respectively. ROCO operated as a commercial real estate investment firm engaged in the business of purchasing, managing, and selling multi-family residential properties, such as apartment complexes, located in the Eastern District of Michigan and elsewhere (collectively the “ROCO Properties”), for itself and its private investors who invested in specific ROCO Properties. ROSS was also an investor in ROCO Properties. ROSS exercised ultimate control over the operations of ROCO and was involved in the company’s daily operations.

Overt Acts

3. ROSS and other co-conspirators committed the following overt acts, among others, in the Eastern District of Michigan and elsewhere, in furtherance of the conspiracy and to effect its objects:

- a. On or about March 13, 2017, ROSS emailed false financial statements to a mortgage lending business for the purpose of influencing the action of that business in connection with the issuance of mortgage

loans to ROCO. Those documents, which ROSS knew to be false, overstated the Net Operating Income (“NOI”) for several ROCO Properties, including Atwood Oaks, The Lakes at Ridgeway, and University Courtyard. The mortgage provider of these loans was a financial institution as that term was defined in Title 18, United States Code, Section 20.

- b. On or about August 20, 2017, a co-conspirator of ROSS, who was an executive at ROCO, emailed ROSS with financial performance information for certain ROCO Properties and provided trailing twelve-month financial operating statements (“T12s”) that “could be submitted as is.”
- c. On or about August 20, 2017, that same co-conspirator emailed ROSS again with financial performance information for other ROCO Properties, which were underperforming, and noted that data “need[ed] to be reviewed prior to submitting.” Among the underperforming properties were Atwood Oaks and University Courtyard. ROSS’s co-conspirator included T12 financial operating statements for the underperforming properties and indicated to ROSS that “[w]ithin each of the Operating Statements is now a TAB called ‘adjustments’ specifically for reviewing/adjusting. . . .” In the email to

ROSS, ROSS's co-conspirator noted that another tab on the operating statements reflected the Debt Service Coverage Ratio ("DSCR") for the relevant property and that the figure would "update each time you enter something within the Adjustments TAB." ROSS's co-conspirator asked ROSS to "[p]lease send me back the review/updated copies and I will get these prepared for submission along with the others."

- d. On or about August 21, 2017, ROSS emailed that same co-conspirator revised and falsified T12s for several underperforming ROCO Properties, including Atwood Oaks and University Courtyard.
- e. On or about August 21, 2017, that same co-conspirator emailed false T12 financial statements to a mortgage lending business for the purpose of influencing the action of that business in connection with mortgage loans that had been issued to ROCO. Those T12 documents falsely overstated the NOI for several ROCO Properties and included the false T12s for Atwood Oaks and University Courtyard that ROSS had sent to the co-conspirator.
- f. On or about May 17, 2018, at ROSS's direction, ROSS's co-conspirator emailed a false T12 financial statement to another mortgage lending business for the purpose of influencing the action of

that business in connection with a mortgage loan that had been issued to ROCO. That T12 document falsely overstated the NOI for Barrington Park, a ROCO Property. The mortgage provider of this loan was a financial institution as that term was defined in Title 18, United States Code, Section 20.

- g. On or about February 22, 2019, at ROSS's direction, ROSS's co-conspirator emailed false T12 financial statements to a mortgage lending business for the purpose of influencing the action of that business in connection with a mortgage loan that had been issued to ROCO. Those T12 documents falsely overstated the NOI for several ROCO Properties, including Atwood Oaks, The Lakes at Ridgeway, and University Courtyard. The mortgage provider of this loan was a financial institution as that term was defined in Title 18, United States Code, Section 20.

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All in violation of Title 18, United States Code, Section 371.

UNITED STATES OF AMERICA

DAWN N. ISON
United States Attorney

GLENN S. LEON
Chief, Fraud Section
Criminal Division
United States Department of Justice

By:

s/John K. Neal
JOHN K. NEAL
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s/Avi M. Perry
AVI M. PERRY
Chief, Market Integrity and Major
Frauds Unit

s/Andrew J. Yahkind
ANDREW J. YAHKIND
Assistant United States Attorney

s/Andrew R. Tyler
ANDREW R. TYLER
Trial Attorney

s/Philip B. Trout
PHILIP B. TROUT
Trial Attorney

Dated: August 2, 2023

(Companion Case information MUST be completed by AUSA and initialed.)

United States District Court
Eastern District of Michigan**Criminal Case Cover Sheet****Case Number**

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information**Companion Case Number:**This may be a companion case based upon LCrR 57.10 (b)(4)¹:**Judge Assigned:**☐ Yes☒ No**AUSA's Initials: A.J.Y****Case Title:** USA v. Tyler N. Ross**County where offense occurred :** Oakland and elsewhere**Check One:** ☒ **Felony**☐ **Misdemeanor**☐ **Petty** Indictment/ ✓ Information --- **no** prior complaint. Indictment/ Information --- based upon prior complaint [Case number: _____] Indictment/ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].**Superseding Case Information****Superseding to Case No:** _____ **Judge:** _____☐ Corrects errors; no additional charges or defendants.☐ Involves, for plea purposes, different charges or adds counts.☐ Embraces same subject matter but adds the additional defendants or charges below:**Defendant name****Charges****Prior Complaint (if applicable)****Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.**August 2, 2023

Date

s/Andrew J. YahkindAndrew J. Yahkind
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¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.